

## **Chairs Report from the Board Meeting 18th June 2018**

1. This is the tenth of my Chair's Reports and it follows the summer meeting of the Board on the 18th June 2018 at the Motherwell Campus. The main items for this meeting were a presentation on the PREVENT Strategy, the minutes of the Board's committees, the minute of the Board meeting on the 26th March 2018, the minute of the SLC Board on the 13th March 2018, the Student Association Reports, my Chair's Report, the approval in principle of the draft Regional Strategy and the draft Lanarkshire Board self- evaluation report for submission to the SFC.

2. The committee Chairs reported by exception from the draft minutes of the meetings in this Board cycle. Following this round of committees, the Board was informed as follows below.

### **Audit Committee 21<sup>st</sup> May 2018**

- The Public Audit and Post Legislative Scrutiny (PAPL) Committee had taken evidence from the Auditor General on the Section 22 reports on the 7<sup>th</sup> June 2018. Further evidence would be given to the committee by myself, Martin McGuire, Derek Smeall and Iain Clark. The college was preparing for this session with the PAPL Committee. Iain Clark clarified that there was no issue with NCL and its payment cycle to creditors as had been raised at the PAPL Committee and as in the Auditor General's report. NCL had moved from a fortnightly cycle to a monthly cycle but creditors were all being paid within 30 days.
- I had met with the Auditor General after the presentation to the CDN Board Member Conference to clarify certain points with her following that presentation including the fact that a loan made by the SFC to NCL to assist with cash flow was an advance on the next year's funds and there was no liability. I invited the Auditor General to the next strategy day.
- There was discussion of the timetable for the approval of the 2017-18 consolidated accounts. I confirmed that I had spoken to the Clerk to the Board at SLC and their Board would be moved to the 27<sup>th</sup> of November. The Audit Committee will be moved to the 3<sup>rd</sup> December 2018, there will be a special meeting of the Finance Committee on the 6<sup>th</sup> December and the Lanarkshire Board will be moved to Thursday the 13<sup>th</sup> December 2018.
- The Board agreed the recommendation from the Audit Committee to change the name of the committee to the Audit and Risk Committee.

### **RGP Committee 4<sup>th</sup> June 2018**

- The Board was informed that the matter of retention monies due for the Motherwell Campus had been concluded with the college accepting the offer of settling on a sum £158k plus VAT as approved by the RGP committee. Any other issues that arose would still be covered by the twelve year indemnity which is due to end in 2020 and this was as well because of an incident where cladding had subsequently fallen off the building at the Motherwell Campus. The college would be covered for the repair and the Board could see that the college had acted swiftly and all the correct procedures had been carried out.
- The committee was informed that the EIS have signalled their intention to raise a formal dispute on the model of delivery for the national agreement on core terms and conditions for teaching staff.

- The committee also received an update on national bargaining and there had to date been no agreement reached in relation to the lecturing staff pay award for 2017/2018 and 2018/2019, although the final offer made by the management side was rejected by the EIS who remain in dispute. Similarly, there has been no agreement with the support staff in relation to the 2018/2019 pay award, although there has been some movement.
- The Chair of the committee, who attends the Colleges Scotland Employers Association meetings, informed the Board that the key issue was affordability. Without the SFC redistributing sector funds already allocated, even the employers' offer is an unaffordable one to several colleges, including those in Lanarkshire. The issue of redistribution of funds and the level of the settlement is critical to NCL having funds to cover pay awards and there are key governance issues for the Board depending on the outcome of the discussions.

#### **Finance Committee Meeting 4<sup>th</sup> June 2018**

- Martin McGuire reported that all possible options had now been examined in the scenario plan and the discussions with the SFC continue to agree the plan. It is important that the underlying funding issues for Lanarkshire are resolved including the issue of unfunded cost of living rises resulting from national bargaining. The college has worked hard to reduce costs through savings and from the VS scheme and would be in a position to move into surplus in two to three years but it will be put back into deficit from unfunded costs resulting from national bargaining. Martin McGuire noted that the colleges that had not harmonised contracts were having the gap funded whereas NCL, which had harmonised quickly as part of the merger process, was not being fully funded and that there is an inherent unfairness in this approach.
- The Chair of the Committee has finalised the remit for the Regional Finance Reporting review and has had discussions with the SFC for funding to cover this work and discussions with the Glasgow Board about mutual benefits for some regional finance arrangements to be considered on a broader basis.
- The issue of the living wage for those in the nurseries was raised by both Martin McGuire and Moira Jarvie. After discussion it was agreed that this is a material issue and the sub-committee that had been looking at nursery provision would be reconvened as soon as possible to discuss this matter.
- The Chair noted that the college currently forecasts an "underlying operating position" close to break-even in percentage terms for 2017/18 and excluding the unfunded Cost of Living provision would be even closer to break-even. The Chair further stated that there are good achievements in the year to date figures for the SFC grants, education contracts and tuition fees income lines which are all currently favourable to budget. This again highlights the impact of unfunded costs from national bargaining.
- Martin McGuire raised the governance issues as Board Members and trustees of a charity in pay rises being awarded which were unfunded and this was echoed by Keith Fulton. The Chair of the Finance Committee referred to the fact that the Finance Committee and the Board has noted but not approved the 2017-18 budget and that this very important issue is being kept under review by the RGP and Finance Committees and that this continues to be raised with the SFC through the business scenario plan and with Colleges' Scotland through the national bargaining process. The college and Board is very actively seeking a resolution to this issue.

3. The draft minutes of the last meeting of the Board on 26th March 2018 were approved and the minute of SLC Board meeting of the 13th March 2018, which is published on the SLC website, was presented for information.

4. The Board heard from both presidents of the Student Associations (SA) about the broad range of activities and events that they are undertaking.

- Daniel Moore updated the Board about the broad range of activities and events that the NCL SA is undertaking including the College Development Network (CDN) College Expo, the Be engaged Awards Ceremony, the FE Fair Attendance Survey, the Student Partnership Agreement and the engagement with social media. The Student Elections results were noted with Cheree Fleming as the new NCL President Elect and the three Vice Presidents Elect as follows: Dominika Gryzka (Coatbridge Campus), David Penman (Cumbernauld Campus) and Marisa Rose (Motherwell Campus). The Board agreed that I should sign the NCL SA partnership agreement at this meeting.
- Julie MacKenzie highlighted the following from the SLC SA: self-employment workshops had been organized, the SA strategy had been agreed and was ready to go to the Depute Principal, there had been a strategy day and annual review and there had been more evening class visits. There had been a strong elections campaign and Claire Patterson was the new President Elect and Liz Newlands the Vice President Elect. The SLC SA had made their submission to the NUS Healthy Body Healthy Mind Award and were awaiting a decision and there had been participation in a number of campaigns, workshops and conferences – the equality and choices event, Mental Health Awareness Week, Student Question Time, the NUS Conference, The Responsible Futures Audit, the Last Straw Campaign to ban plastic straws in the canteen.

I thanked both presidents for their reports and again congratulated them on the range of activity being undertaken in both colleges. I also thanked them for their contribution to the Board over the past year and wished them well in their further studies and careers.

## **5. SLC Report to the Board**

Stewart McKillop reported from the SLC meeting on the 29<sup>th</sup> May 2018 to the Board as follows:

- It had been the new Chair Andy Kerr's first meeting. He is a former member of the Scottish Cabinet and has considerable Board and Committee experience.
- The Board set the budget for the coming year
- They approved the external audit strategy
- There will be a targeted recruitment campaign in certain areas and SLC is going on the options list for East Renfrew because there are good transport links for their schools to the college.
- SLC have changed their application to the ERASMUS + Programme to mirror the NCL approach to take more students for less time
- The recovery disaster plan is being looked at by internal audit and will have been reviewed by August.
- There is ongoing discussion about risk with committees raising any risks that they wish to but with Audit being the main committee dealing with this issue.

6. I updated the Board as follows in my Chair's Report:

**Events and Awards:** I congratulated both colleges on a range of awards and achievements as highlighted to the Board in the NCL Awards and Achievements paper which is included in the Board papers published from this meeting and in the SLC newsletter summer issue which is on the SLC website.

**Lanarkshire Board Recruitment:** The Board is looking for two new Board Members following the resignations of Ronnie Smith and Douglas Anderson and recruitment at the end of the summer and for new Board members being in place for the next meeting of the Board in October 2018.

**National Committees:** I asked the Board to approve the re-nomination of staff and Board Members to the Employers Association and the Board approved the re-nomination of Keith Fulton and Brian Gilchrist to the Employers' Association

**SFC Update Strategic Dialogue meeting 23<sup>rd</sup> May 2018.** I informed the Board that this had taken place at the Motherwell Campus with two SFC Board Members – Caroline Stewart and David Alexander and herself, Kenneth Anderson, Keith Fulton, Martin McGuire and members of the senior management team and students. This is a way for SFC Board Members to become more familiar with the college environment and sector issues and Sharon Drysdale informed the Lanarkshire Board that this is something that they continue to want to do. The opportunity was taken to raise the issues relating to NCL finances.

**Audit Scotland Update:** I informed the Board that the Colleges Scotland 2018 report would be released on Thursday 28<sup>th</sup> June. NCL had made a submission to the Auditor General about regional benefits.

### **Section 22 and the Scottish Parliament PAPL Committee**

Martin McGuire informed the Board that he would hope to make it clear in his evidence to the PAPL Committee that there was unfair treatment of the college in the lack of funding for colleges that had already harmonised pay and conditions and that the college had gone through a difficult merger and had done everything it had been asked to do. He also noted that he had had to write to staff to quell rumours about the closure of campuses and he has had on a number of occasions to confirm that there will be no compulsory redundancies. The pressure on funding and the process to deal with this is severely affecting staff morale.

There was discussion about what the Board can do to help with this and firstly, the Board agreed that the Chairs Committee will act on behalf of the Board to bring further focus to this and on how to get positive messages out to staff and students. Secondly, it was decided that the Board through me should approach the Regional Chairs of the other colleges that also do not have sufficient funds to cover national bargaining and need a redistribution of funds to discuss a joint approach to the SFC and Colleges' Scotland. Martin McGuire would also pursue this through the Principals' Group. These colleges represent the largest grouping of learners in Scotland. I will also raise this issue with Colleges' Scotland.

**7. Draft Regional Strategy:** The Board considered the draft strategy which was presented by Jason Quinn. Board Members felt that the strategy had to have more visibility for international activity and the strategy will be amended to reflect this aspect more strongly. The Board approved the regional strategy in principle with authority for the Chair and Principal to sign off the finalised document.

**8. Draft Evaluation Report:** The Board considered the draft report. It was informed that the last element – the review of the Chair would be undertaken by the senior independent Board Member in the next couple of weeks and this would be incorporated into the report. The individual meetings with Board Members and the Chair were ongoing and these would lead to the individual personal development plans and a mapping of partnership networks. The Board approved the draft report in principle and delegated the signing of the final report to the Chair of the Board.

**9.** The Board approved the publication of the minutes of the last meeting a link to the minute of the SLC Board of the 13th March 2018 and the papers from the students' associations, the NCL SA Partnership Agreement and the NCL Awards and Achievements. These can be found on the NCL web-site.

**10.** I thanked those senior staff who were leaving under the voluntary severance scheme for their contribution to the college, Board and students – Heather Urquhart, Janice McAulay and Tom Dodds – and all the other staff who were leaving NCL for all of their contribution to college life over the years.

**11.** I hope, as ever, that you have found this report on the work of the Board and its committees useful. The next meeting of the Board will be on Monday 1<sup>st</sup> October 2018 at 5pm at 101 Park Street at the Coatbridge Campus and I will report again after this meeting.

Linda McTavish CBE - Chair of the Lanarkshire Board